Defense Acquisition University

ACQUISITION PLANNING

March 24, 2011

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TODAY'S LEARNING OBJECTIVES

Enabling Objectives:

- Determine if a written acquisition plan is required.
- Identify the purpose of an acquisition plan.
- Identify the acquisition planning policy.
- Recognize the acquisition plan process.
- Determine when a written plan is required.
- Identify the acquisition planning roles.
- Identify the preparation and approval process
- Identify the major elements of the plan
- Determine how to update an existing plan as necessary.

AGENDA

- Acquisition Plans
- Acquisition Planning Policy
- Acquisition Plan Process
- Requiring a Written Plan
- Acquisition Planning Roles
- Preparation and Approval Process
- Major Elements of the Plan
- Update the Existing Plan as necessary
- Summary

PURPOSE OF ACQUISITION PLANS

Why do we need a plan?

- Anticipate problems
- “Failing to plan is planning to fail.”
- It allows all participants in the planning of an acquisition to establish, logically and systematically, an approach for meeting a government need.
- It also provides the impetus for stakeholders interested in an acquisition to review regulatory requirements in advance.
- It allows participants to anticipate problems that may arise and to formulate plans to avoid them, as well as to anticipate required approvals, waivers, etc., that may be necessary.

PURPOSE OF ACQUISITION PLANS (CONT)

- It is used to **communicate** the requiring activity's approach **to higher management.**
- Senior Leaders want to know the following:
  - Is the plan consistent with current DoD priority policies (i.e., provide for full and open competition, use of fixed-price type contracts)?
  - Is the plan executable?
  - Are the top-level objectives appropriate and in the best interest of the DoD and the United States?
- Most important, the plan helps to **generate commitment** by all stakeholders to support the plan's execution. It serves as a permanent record of decisions made regarding the acquisition strategy for future reference.
- **An acquisition plan is required by FAR Part 7, Acquisition Planning.**

POLICY GOALS

- Agencies shall perform acquisition planning and conduct market research for all acquisitions in order to promote and provide for—
  - Acquisition of commercial items or, to the extent that commercial items suitable to meet the agency's needs are not available, nondevelopmental items other than commercial items, to the maximum extent practicable; and
  - Full and open competition or, when full and open competition is not required in accordance with Part 6, to obtain competition to the maximum extent practicable, with due regard to the nature of the supplies or services to be acquired; and
  - **Selection of appropriate contract type in accordance with part 16** (FAC2005-50, Effective Mar 16,2011).
- Planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition to ensure that the Government meets its needs in the most effective, economical, and timely manner.

RESPONSIBILITY OF THE AGENCY HEAD

- The agency head or a designee shall prescribe procedures to—
  - Promote full and open competition
  - Encourage offerors to supply commercial items, or to the extent that commercial items suitable to meet the agency needs are not available, non-developmental items other than commercial items in response to agency solicitations.
  - Ensure the acquisition planners address the requirement to specify the needs, develop specifications, and to solicit offers in such a manner to promote full and open competition.
  - Ensure that acquisition planners document the file to support the selection of the contract type (FAC2005-50, Effective Mar 16,2011)
  - Establish criteria and thresholds at which increasingly greater detail and formality in the planning process is required as the acquisition becomes more complex and costly, including for cost-reimbursement and other high-risk contracts (e.g., other than firm-fixed-price contracts) requiring a written acquisition plan. A written plan shall be prepared for cost reimbursement and other high-risk contracts other than firm-fixed-price contracts, although written plans may be required for firm-fixed-price contracts as appropriate (FAC 2005-50, Effective Mar 16,2011)

RESPONSIBILITY OF THE AGENCY HEAD

- Ensure that the statement of work is closely aligned with performance outcomes and cost estimates (FAC2005-50, Effective Mar 16,2011).
- Write plans either on a systems basis, on an individual contract basis, or on an individual order basis, depending upon the acquisition.
- Ensure that the principles of this subpart are used, as appropriate, for those acquisitions that do not require a written plan as well as for those that do.
- Designate planners for acquisitions.
- Review and approve acquisition plans and revisions to these plans to ensure compliance with FAR requirements. For other than firm-fixed-price contracts, ensure that the plan is approved and signed at least one level above the contracting officer (FAC2005-50, Effective Mar 16,2011).

RESPONSIBILITY OF THE AGENCY HEAD

- Establish criteria and thresholds at which design-to-cost and life-cycle-cost techniques will be used.
- Establish standard acquisition plan formats, if desired, suitable to agency needs; and
- Waive requirements of detail and formality, as necessary, in planning for acquisitions having compressed delivery or performance schedules because of the urgency of the need.
- Assure that the contracting officer, prior to contracting, reviews:
  - The acquisition history of the supplies and services; and
  - A description of the supplies, including, when necessary for adequate description, a picture, drawing, diagram, or other graphic representation.
- Ensure that agency planners include use of the metric system of measurement in proposed acquisitions.

RESPONSIBILITY OF THE AGENCY HEAD

- Ensure that agency planners--
  - Specify needs for printing and writing paper consistent with the minimum content standards, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition; and
  - Comply with the policy in regarding procurement of biobased products, products containing recovered materials, and environmentally preferable and energy-efficient products and services.
- Ensure that acquisition planners specify needs and develop plans, drawings, work statements, specifications, or other product descriptions that address Electronic and Information Technology Accessibility Standards in proposed acquisitions and that these standards are included in requirements planning.

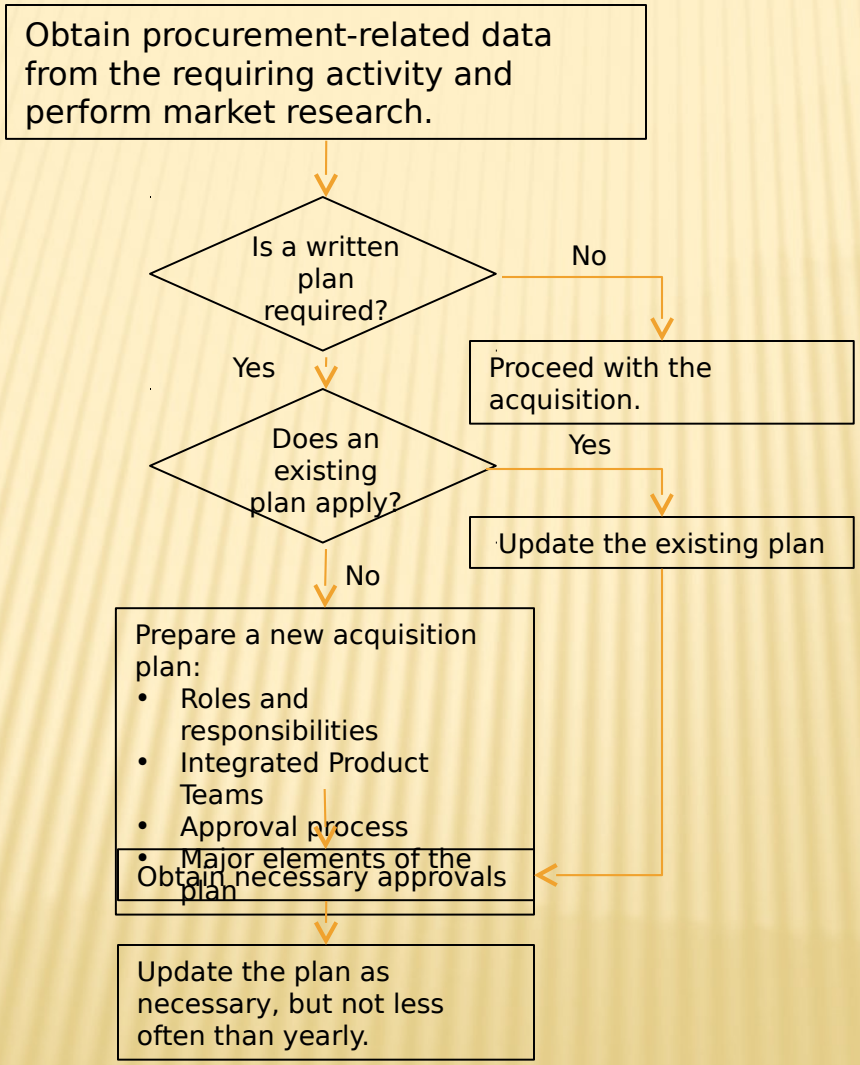
RESPONSIBILITY OF THE AGENCY HEAD

- Make a determination, prior to issuance of a solicitation for advisory and assistance services involving the analysis and evaluation of proposals submitted in response to a solicitation, that a sufficient number of covered personnel with the training and capability to perform an evaluation and analysis of proposals submitted in response to a solicitation are not readily available within the agency or from another Federal agency.
- Ensure that no purchase request is initiated or contract entered into that would result in the performance of an inherently governmental function by a contractor and that all contracts or orders are adequately managed so as to ensure effective official control over contract or order performance.
- Ensure that knowledge gained from prior acquisitions is used to further refine requirements and acquisition strategies. For services, greater use of performance-based acquisition methods should occur for follow-on acquisitions.
- Ensure that acquisition planners, to the maximum extent practicable –
  - Structure contract requirements to facilitate competition by and among small business concerns; and
  - Avoid unnecessary and unjustified bundling that precludes small business participation as contractors.

RESPONSIBILITY OF THE AGENCY HEAD

- Ensure that agency planners on information technology acquisitions comply with the capital planning and investment control requirements.
- Ensure that agency planners on information technology acquisitions comply with the information technology security requirements in the Federal Information Security Management Act.
- Encourage agency planners to consider the use of a project labor agreement.
- Ensure that contracting officers consult the Disaster Response Registry at www.ccr.gov as a part of acquisition planning for debris removal, distribution of supplies, reconstruction, and other disaster or emergency relief activities inside the United States and outlying areas.

ACQUISITION PLANNING PROCESS


Obtain procurement-related data from the requiring activity and perform market research.
Is a written plan required?
No
Proceed with the acquisition.
Yes
Does an existing plan apply?
Yes
Update the existing plan
No
Prepare a new acquisition plan:
• Roles and responsibilities
• Integrated Product Teams
• Approval process
• Major elements of the plan
Obtain necessary approvals
Update the plan as necessary, but not less often than yearly.

WHEN IS A WRITTEN ACQUISITION PLAN REQUIRED?

Written acquisition plans are required for …	When estimated at …
Development	When the total cost of all contracts for the acquisition program is estimated at $10 million or more.
Production or services*	When the total cost of all contracts for the acquisition program is estimated at $50 million for all years or $25 million or more for any fiscal year.
Any other acquisition	An amount considered appropriate by the department or agency. Plans may be written on either a program or an individual contract basis.
***Exception:** Written plans are not required in acquisitions for a final buy out or one-time buy. The terms “final buy out” and “one-time buy” refer to a single contract which covers all known present and future requirements. This exception does not apply to a multiyear	

NOT REQUIRED?

- Even though no written acquisition plan is required, remember that acquisition planning to maximize use of commercial items and to maximize competition is still required.

ACQUISITION PLANNING ROLE

- Acquisition Planning should begin as soon as the agency need is identified, preferably well advance of the FY in which the award or order placement is necessary

ROLES AND RESPONSIBILITIES

Role	Responsibility
Planner - (Designated person or office responsible for developing and maintaining a written plan.) May be the Program Manager, Project Manager, IPT Lead	•The **Program Manager** or other official responsible for the program has overall responsibility for acquisition planning. •Shall form the team. •Review previous plans for similar acquisitions and discuss them with key personnel involved in those acquisitions. •Shall review the plan and revise it, if appropriate at key dates specified in the plan or whenever significant changes occur, and no less than annually. •Must rely on the expertise and input from the various functional activities involved in the acquisition process for assistance in the preparation of the plan. •Shall coordinate with and secure the concurrence of the contracting officer in all acquisition planning. If the plan proposes using other than full and open competition when awarding a contract, the plan shall also be coordinated with the cognizant competition advocate. •Shall coordinate the acquisition plan or strategy with the cognizant small business specialist. •Shall ensure that a COR is nominated by the requirements official, and designated and authorized by

ROLES AND RESPONSIBILITIES

Role	Responsibility
Contracting officer	•The contracting officer must coordinate closely with the program manager to ensure the acquisition complies with statutory and regulatory requirements. •The contracting officer shall designate and authorize a COR as early as practicable after the nomination. (FAC2005-50, Effective March 16, 2011)
All acquisition team members	•The acquisition team members actively participate in the planning process by providing input in their areas of expertise, such as: budget and funding, logistics, manufacturing, engineering, fiscal and legal counsel. •Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices. Early in the planning process, the planner should consult with requirements and logistics personnel who determine type, quality, quantity, and delivery requirements.

ROLES AND RESPONSIBILITIES

Team effort keys to success:

- Plan first, then document the plan.
- The most effective plans are the result of a comprehensive team effort.
- The process of planning involves working together, proactively, to develop a good acquisition strategy with the user, the supporter, and the various functional experts assigned to the requiring activity.
- In addition to using the team of specialists from the requiring activity, you may be able to obtain the advice of experienced, senior managers as a forum to discuss and refine all planning issues.
- Generate commitment of team members

PHASES OF THE PROCESS

Step 1 - Drafting

- determine your acquisition strategy, then document that strategy using the format and content assistance provided by your agency.

- Bring together your team (those who will play a part in carrying out the acquisition) to discuss the issues to be addressed in the acquisition plan.

- This should be done early in the process.

PHASES OF THE PROCESS

Step 2 – Consultation

- Local procedures determine which offices (such as the competition advocate) coordinate and/or sign the acquisition plan.
- Your contracting activity may have developed a process to efficiently obtain the required coordination and valuable inputs to the plan.

PHASES OF THE PROCESS

Step 3 – Resolution

- The goal of the resolution phase is to resolve all significant comments.
- Three possible results are:
  - The Planner concurs with the comment and makes the recommended change.
  - The comment may be withdrawn if the reviewer agrees with the program manager or planner's position.
  - The comment may be elevated for resolution by the approving authority.

PHASES OF THE PROCESS

Step 4 – Local Signature

- The planner is responsible for adequate resolution of all comments.
- The program manager or planner and the contracting officer sign and date the plan.

Step 5 – External Approval

- External coordination with higher headquarters may be needed.
- Your office may have a designated focal point for this function.

DRAFTING THE PLAN

Start with a planning meeting to discuss major strategy issues, then begin to draft the plan. Preparing a detailed planning document will be much easier once the following major issues are resolved:

- What are your performance, cost, and schedule objectives?
- What are the user's requirements?
- Have they been addressed?
- What are the risks of not achieving them?
- What contract type is appropriate given the risks?
- How should the end item be tested and evaluated?

REST OF THE PLAN

Other major issues which must be resolved are:

- How will the user maintain the items?
- How will the user/support command keep the items operational?
- What kinds of data do, we the user, and the supporter need?
- Is there a competitive market for the effort?
- How can we develop/sustain competition through follow-on and support efforts?
- Do we need a warranty?

TRANSITION

- Once the major strategy issues are decided, writing the acquisition plan is more of an administrative exercise.

- At this point, format and completeness become the predominant themes

CONTENT OF THE WRITTEN ACQUISITION PLAN

According to FAR 7.105, an acquisition plan contains:

- The acquisition background and objectives; and a plan of action.
- The plan should address all the technical, business, management, and other significant considerations that control the acquisition, and identify the milestones at which decisions should be made.
- The specific content of plans will vary, depending on the nature, circumstances, and stage of the acquisition.
- Acquisition plans for service contracts or orders must describe the strategies for implementing performance-based acquisition methods or must provide rationale for not using those met
- Your agency may have a set format you must follow. If not, you can follow the outline as described in FAR.

CONTENT OF THE WRITTEN ACQUISITION PLAN

- *Acquisition background and objectives* --
  - *Statement of need*
  - *Applicable conditions*
  - *Cost*
    - *Life-cycle cost*
    - *Design-to-cost*
    - *Application of should-cost*
  - *Capability or performance*
  - *Delivery or performance-period requirements*
  - *Trade-offs*
  - *Risks*
  - *Acquisition streamlining*

CONTENT OF THE WRITTEN ACQUISITION PLAN

Plan of action --

- *Sources*
- *Competition*
- *Contract type selection (FAC2005-50)*
- *Source-selection procedures*
- *Acquisition considerations (FAC2005-50)*
- *Budgeting and funding*
- *Product or service descriptions*
- *Priorities, allocations, and allotments*
- *Contractor versus Government performance*
- *Inherently governmental functions*
- *Management information requirements*
- *Make or buy*
- *Test and evaluation*
- *Logistics consideration*
- *Government-furnished property*
- *Government-furnished information*
- *Environmental and energy*
- *conservation objectives*
- *Security considerations*
- *Contract administration*
- *Other considerations*
- *Milestones for the acquisition cycle*
- *Identification of*

FOLLOW ON ACTIONS

After the plan is drafted and written, incorporate good ideas from the consultation phase and obtain any necessary approvals.

UPDATES AND CHANGES

- Updates and changes are necessary after acquisition plan approval when significant program changes occur which exceed authority granted in the original approval.
- Examples include, but are not limited to changes in:
  - contract type
  - quantity
  - scope or work required
  - period of performance, or
  - funding requirements.

UPDATING AN EXISTING PLAN

- When conducting your initial research, analyze previous contract files for the same or similar requirements to determine whether a plan exists.
- You do not need to develop a new plan if there is an existing plan that may only require a few updates.
- There is no need to “reinvent the wheel” for repetitive requirements. When reviewing an existing plan, typical areas to update are:
  - Dates
  - Quantity(s)
  - Set-asides
  - Justification and Approval(s) (J&A)
  - Market conditions
  - Dollar amounts
  - Source list
  - Determination and Findings (D&F)

SUMMARY

- Remember that acquisition planning is a team effort. It takes the active participation and expertise of the whole acquisition team to effectively plan the best course of action.
- Normally, a planning meeting is the best way to begin. Plan first, then document the plan. Figuring out the big strategy issues first will make the balance of the planning easier.
- Active participation of all acquisition team members yields the best results. Obtain the commitment of those who have a stake in the outcome to execute the acquisition plan. Seek advice and assistance of knowledgeable senior acquisition personnel to act as consultants for your plan.

REFERENCES

- FAR Part 7
- DFARS 207
- PGI 207
- DAU Course Material